

Fast Cash With A Price Payday Loans



A payday loan is a small (typically under \$500) loan that is given without a credit check. Most payday loan company's charge enormous interest rates because no credit check is done and therefore the risk to them is tremendous. Payday loans are considered one type of predatory lending (refer to "Protecting Yourself from Predatory Lending" Hot Sheet on our web site).

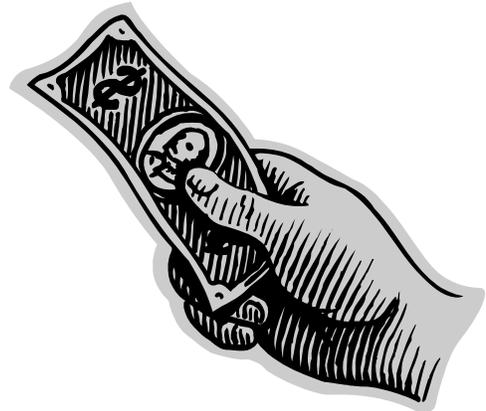
How they work

- ◆ You tell them how much money you want to borrow.
- ◆ They instantly add a fee, usually about \$15 for every \$100 loaned. This charge will repeat about every two weeks until you pay off the debt.
 - ◆ According to the Truth in Lending Act they **MUST** disclose all fees and charges
- ◆ They loan you money, no background or credit check required.
 - ◆ They do need proof of steady income.
- ◆ They hold the check until you pay them back.
 - ◆ Usually for about two weeks.
- ◆ The check builds interest fast, the interest rate may be as high as 700% APR.
- ◆ If you need more time to pay your loan back they will let you extend your pay date, for a fee.
 - ◆ During this time the interest is still adding up.
- ◆ By the time you pay, you will owe your original loan, their fee, all the interest, and any other extra fees you incurred.
- ◆ Payday loan companies can go straight to employers and garnish wages.
 - ◆ However these garnishments are technically voluntary, so if you inform your employer and the loan company, these garnishments can be stopped.

If you would like any additional information on this topic or have any other credit related questions, call Credit Advisors and speak with a certified credit counselor at (800) 942-9027. They will answer your questions and help you figure out the best way for you to get out of debt.

The Many Names of Payday Loans

- ◆ payday loans
- ◆ cash advance loans
- ◆ check advance loans
- ◆ post-dated check loan
- ◆ deferred deposit check loans



Many consumers get caught in a never-ending payday loan cycle. They take out a loan and can't afford to pay it. Then they get **ANOTHER** payday loan to pay the first one, and so forth and so on. **REMEMBER** you should never have to pay off one loan by taking out another.

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